

REPORT OF THE COMMITTEE ON TRADE IN FINANCIAL SERVICES TO THE COUNCIL FOR TRADE IN SERVICES

1. The Committee on Trade in Financial Services held three formal meetings during 1999 on 19 January, 7 May and 11 June which focused principally on two issues; the acceptance of the Fifth Protocol to the GATS and the organisation of future work.
2. With regard to the acceptance of the Fifth Protocol, it was clear at the meeting of 19 January that the ratification deadline of 29 January would not be met by a considerable number of Members. Following a decision by the Council for Trade in Services on 15 February to extend the deadline until 15 June, the discussions focused on obtaining information on the ratification processes of Members who had not up to that point accepted the Protocol. A letter from the Chairman, dated 17 May, was sent to those Members requesting such information, some of which have responded in writing. At the meeting of 11 June, the Committee was of the view that there should not be a further extension of the deadline, but that windows of opportunity for acceptance by Members could be considered at a later stage and on a case-by-case basis.
3. On the organisation of future work, a number of issues were raised for potential future discussion and it was suggested that some issues, namely the distinction between modes 1 and 2 and the sectoral classification of financial services be given priority. Although there were differences of opinion voiced by Members about items to be considered, there was a general feeling that any work undertaken on these items in the Committee should not duplicate but add to discussions in other bodies. At the request of the Committee, the Secretariat produced a non-exhaustive checklist of issues for discussion (S/FIN/W/14). It was also proposed that future discussions under the agenda item "Recent developments in financial services trade" should be expanded to stimulate more interactive discussions on the application of the Agreement and the commitments made thereunder by Members and important recent changes in Members' laws and regulations which affect international trade in financial services.
